

*Notice to Purchasers required by Section 50.301 of this code to be furnished by a seller to a purchaser of real property in that district and shall, on written request of any person, issue the notice form completed by the district with all information required to be furnished by the district. A notice form issued by a district under the provisions of this section shall include a written statement that the notice form is being issued by the district, the date of its issuance, and the district's telephone number. A district shall not be required to orally provide the information.*

*(b) A district may charge a reasonable fee as determined by the district not to exceed \$10 for the issuance of a notice form pursuant to Subsection (a) of this section. The notice form shall be delivered by regular mail or made available at the district's office. If a district is requested to deliver the notice form to a person by an alternative method, the district may impose a charge not to exceed the actual cost of such delivery.*

*(c) A district may delegate the responsibility for issuance of the particular form of Notice to Purchasers to an employee or agent of the district. A district shall file with the commission the name, address, and telephone number of the employee or agent of the district responsible for issuance of the notice form and shall notify the commission in writing within seven days after there is a change to the information required to be filed with the commission under the provisions of this subsection.*

*(d) Any notice issued by the district shall contain the information effective as of the date of its issuance. [The notice form required to be used under Section 50.301(b) shall include the following:*

*["The district also has the authority to adopt and impose a standby fee on property in the district that has district-financed water or sewer facilities and services available but not connected. The district may exercise the authority without holding an election on the matter. As of this date, the most recent amount of the standby fee is \$\_\_\_\_\_. An unpaid standby fee is a personal obligation of the person that owned the property at the time of imposition and is secured by a lien on the property. Any person may request a certificate from the district stating the amount, if any, of unpaid standby fees on a tract of property in the district."]*

*[(b) The notice form required by Section 50.301(b) shall be modified in the manner necessary to incorporate the additional language required by Subsection (a).]*

SECTION 4. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on May 13, 1991: Yeas 31, Nays 0; passed the House on May 24, 1991, by a non-record vote.

Approved June 16, 1991.

Effective August 26, 1991, 90 days after date of adjournment.

## CHAPTER 641

### S.B. No. 1095

#### AN ACT

relating to the enactment of new laws and the repeal or amendment of existing laws for the effective and efficient operation of the uniform statewide accounting system.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Section 57.48, Education Code, is amended to read as follows:

Sec. 57.48. WARRANTS NOT TO BE ISSUED TO DEFAULTING PARTIES. (a) The corporation shall report to the comptroller of public accounts the name of any person who is in default on a loan guaranteed under this chapter.

(b) The comptroller of public accounts may not issue a warrant to any person who has been reported by the corporation to be in default on a loan guaranteed under this chapter.

(c) *The comptroller may issue a warrant to the assignee of a person who is in default only if the assignment became effective before the person defaulted.*

(d) *When this section prohibits the comptroller from issuing a warrant to a person, the comptroller is also prohibited from using an electronic funds transfer system to pay the person.*

(e) *This section does not prohibit the comptroller from issuing a warrant to pay the compensation of a state officer or employee.*

(f)(1) *This subsection applies when a payment is made to a person other than through the comptroller's issuance of a warrant or the comptroller's use of an electronic funds transfer system.*

(2) *A state agency may not use funds inside or outside the state treasury to pay a person if the agency knows that the person is in default on a loan guaranteed under this chapter.*

(3) *This subsection does not prohibit a state agency from paying the assignee of a person who is in default on a loan guaranteed under this chapter if the assignment became effective before the person defaulted.*

(4) *This subsection does not prohibit a state agency from paying the compensation of a state officer or employee.*

(5) *The comptroller may not reimburse a state agency for a payment that is made in violation of this subsection.*

(g) *In this section:*

(1) *"Compensation" includes wages, salaries, longevity pay, hazardous duty pay, and emoluments that are provided in lieu of wages or salaries. The term does not include expense reimbursements.*

(2) *"State agency" means a board, commission, council, committee, department, office, agency, or other governmental entity in the executive, legislative, or judicial branch of state government. The term includes an institution of higher education as defined by Section 61.003, Education Code.*

(3) *"State officer or employee" means an officer or employee of a state agency.*

SECTION 2. Section 321.012, Government Code, is amended to read as follows:

Sec. 321.012. EXPENDITURES AND SALARIES. (a) The committee directs and controls the expenditure of any money appropriated to the office of the State Auditor.

(b) ~~Before [Except as provided by Subsection (c), before]~~ payment may be made on a voucher issued for payment of the salaries and expenses of the office, the State Auditor must approve the voucher.

(c) ~~Before payment may be made on a voucher issued for payment of the salary or expenses of the State Auditor, the chairman of the committee must approve the voucher.~~

[(d)] The salaries of the assistant auditors and stenographic and clerical personnel may not exceed the amounts paid by other departments for similar services.

(d) [(e)] Salaries shall be paid monthly.

SECTION 3. Section 403.004, Government Code, is amended to read as follows:

Sec. 403.004. CHIEF OF CLAIMS DIVISION. The comptroller shall designate one person as chief of the claims division. The chief of the claims division shall prepare or have prepared all [pay] warrants and is accountable to the comptroller for warrants coming into the person's possession.

SECTION 4. Subsection (d), Section 403.016, Government Code, is amended to read as follows:

(d) *When a law requires the comptroller to make a payment by warrant, the comptroller may instead make the payment through an electronic funds transfer system. [The state treasurer may not make payment of a state employee's salary before*

~~the first working day of the month following the payroll period.]~~ The use of *an* electronic funds transfer *system* or any other payment means does not create a right that would not have been created if a ~~[an individual]~~ state warrant had been used.

SECTION 5. Section 403.017, Government Code, is amended to read as follows:

Sec. 403.017. CUSTODY OF *SECURITY FOR MONEY AND DEEDS* ~~[AND OBLIGATIONS TO STATE]~~. (a) *A bond, note, or other security for money given to the state or an officer for the use of the state shall be deposited in the office of the comptroller. [Except as provided by Subsection (b) or otherwise specifically provided, the following documents shall be deposited in the office of the comptroller:*

~~[(1) a deed to the state;~~

~~[(2) a lien, mortgage, bond, note, or other security for money given to the state or an officer for the use of the state; and~~

~~[(3) a contract or other document involving a pecuniary obligation to the state.]~~

(b) A deed conveying land or an interest in land to the state for highway purposes shall be deposited in the Austin office of the State Department of Highways and Public Transportation.

SECTION 6. Chapter 403, Government Code, is amended by adding Section 403.021 to read as follows:

Sec. 403.021. *ENCUMBRANCE REPORTS.* (a) *A state agency that expends appropriated funds shall submit a binding encumbrance report to the comptroller, the state auditor, and the Legislative Budget Office no later than October 30 of each year.*

(b) *The report must indicate the unencumbered balance, if any, of each nonconstruction appropriation for the preceding fiscal year. The report must be made in the format that the comptroller prescribes. The comptroller may reject a report if it does not contain sufficient information or comply with the comptroller's prescribed format.*

(c) *On October 31 of each year, the comptroller shall lapse all unencumbered balances based on information in the binding encumbrance reports.*

(d) *If an agency has not submitted a report by October 31, the comptroller shall lapse the unexpended balance of the agency's appropriations. If the agency subsequently submits a report, the comptroller shall reinstate the agency's appropriations to the extent they were encumbered but unexpended.*

(e) *If a state agency submits a claim that is legally payable against an appropriation for an earlier year and the balance of the appropriation is insufficient to pay the claim, then the comptroller may reopen the appropriation to pay the claim. A claim is legally payable from an appropriation only if the appropriation was encumbered to pay the claim before the expiration of the appropriation.*

(f)(1) *In addition to submitting the binding encumbrance reports required by Subsections (a) through (e), a state agency that expends appropriated funds shall submit a nonbinding encumbrance report each month to the comptroller through the uniform statewide accounting system. A report is due no later than the 45th day after the end of the month covered by the report.*

(2) *On receipt of a report, the comptroller shall provide the information in the report to the Legislative Budget Office and the state auditor.*

(3) *A state agency may use electronic media transfer of data to satisfy the requirements of this subsection.*

(4) *This subsection does not apply until the uniform statewide accounting system is fully implemented.*

(g) *The comptroller may adopt rules to administer this section.*

SECTION 7. Section 403.055, Government Code, is amended to read as follows:

Sec. 403.055. ISSUANCE TO DEBTORS PROHIBITED. (a) *The comptroller may not issue a [A] warrant [may not be issued] to a person[, or to the person's agent or assignee,] if the person is indebted or owes delinquent taxes to the state, or owes*

delinquent taxes under a tax that the comptroller administers or collects, until the debt or taxes are paid.

*(b) The comptroller may issue a warrant to the assignee of a person who is indebted or owes delinquent taxes to the state only if the assignment became effective before the person became indebted to the state or delinquent in the payment of taxes to the state.*

*(c) This section does not prohibit the comptroller from issuing a warrant to pay the compensation of a state officer or employee.*

*(d) When this section prohibits the comptroller from issuing a warrant, the comptroller is also prohibited from using an electronic funds transfer system.*

*(e)(1) This subsection applies when a payment is made to a person other than through the comptroller's issuance of a warrant or the comptroller's use of an electronic funds transfer system.*

*(2) A state agency may not use funds inside or outside the state treasury to pay a person if the agency knows that the person is indebted or owes delinquent taxes to the state or owes delinquent taxes under a tax that the comptroller administers or collects until the debt or taxes are paid.*

*(3) This subsection does not prohibit a state agency from paying the assignee of a person who is indebted or owes delinquent taxes to the state if the assignment became effective before the person became indebted to the state or delinquent in the payment of taxes to the state.*

*(4) This subsection does not prohibit a state agency from paying the compensation of a state officer or employee.*

*(5) The comptroller may not reimburse a state agency for a payment that is made in violation of this subsection.*

*(f) In this section:*

*(1) "Compensation" includes wages, salaries, longevity pay, hazardous duty pay, and emoluments that are provided in lieu of wages or salaries. The term does not include expense reimbursements.*

*(2) "State agency" means a board, commission, council, committee, department, office, agency, or other governmental entity in the executive, legislative, or judicial branch of state government. The term includes an institution of higher education as defined by Section 61.003, Education Code.*

*(3) "State officer or employee" means an officer or employee of a state agency.*

SECTION 8. Subsection (b), Section 403.060, Government Code, is amended to read as follows:

(b) The comptroller:

(1) may print all warrants on a stock that is the same color and design;

(2) may make a warrant payable out of two or more state funds when not prohibited by law;

(3) shall number warrants in accordance with the requirements of the uniform statewide accounting system; and

(4) may combine on a single warrant the payments to a vendor or state employee by two or more state agencies when not prohibited by law.

SECTION 9. Section 403.071, Government Code, is amended by adding Subsections (g) and (h) to read as follows:

*(g) Notwithstanding Subsection (a), the comptroller and a state agency may contract in writing for the comptroller to audit claims presented by the state agency after the comptroller prepares warrants or uses the electronic funds transfer system to pay the claims. If the comptroller and a state agency execute a contract, the comptroller may decide the types of claims that will be audited after payment.*

*(h) This subsection applies if the comptroller and a state agency have contracted in accordance with Subsection (g). The comptroller shall audit claims after payment in the same way that the comptroller audits claims under Subsection (a). If a postpay-*

ment audit by the comptroller shows that a claim presented by a state agency was invalid, the comptroller may:

- (1) implement procedures to ensure that similar invalid claims from the state agency are not paid in the future;
- (2) report to the governor, the lieutenant governor, the speaker of the house of representatives, the state auditor, and the Legislative Budget Board the results of the audit;
- (3) require the state agency to obtain a refund of the monies from the payee;
- (4) cancel the contract with the state agency; and
- (5) reduce the state agency's remaining appropriations by the amount of the claim.

SECTION 10. Section 403.074, Government Code, is amended to read as follows:

Sec. 403.074. MISCELLANEOUS CLAIMS. (a) The comptroller shall pay, from available funds appropriated for that purpose, miscellaneous claims for which an appropriation does not otherwise exist ~~or for which the appropriation has lapsed[, including state ad valorem tax refund claims qualifying under this section].~~ For the purpose of this section, "miscellaneous claims" does not include claims concerning warrants that have expired because they were not presented to the state treasurer for payment within the time period specified in Subsection (d), Section 7, Texas Unemployment Compensation Act (Article 5221b-7, Vernon's Texas Civil Statutes).

(b) ~~The comptroller may not pay [A warrant may not be prepared for payment of]~~ a miscellaneous claim unless the claim has been:

- (1) verified and substantiated by ~~an authorized employee of the state agency whose [administrator of the] special fund or account [against which the claim] is to be charged for the claim; [and]~~
- (2) verified by the attorney general as a legally enforceable obligation of the state; and
- (3) certified by the claimant as due and unpaid.

(c) The comptroller shall keep a record of each transaction made under this section, showing:

- (1) the amount of the claim paid;
- (2) the identity of the claimant;
- (3) the purpose of the claim; and
- (4) the fund or account against which the claim is to be charged.

(d) ~~The comptroller may not pay under this section a [A]~~ single claim in excess of \$25,000 ~~[\$10,000], or an aggregate of claims by a single claimant during a biennium in excess of \$25,000 [\$10,000, may not be paid under this section].~~ For the purposes of this subsection, all claims that were originally held by one person are considered held by a single claimant regardless of whether those claims were later transferred.

(e) Unless another law provides a period within which a particular claim must be made, a claim may not be made under this section after four years from the date on which the claim arose. *A claim arises on the day after the last day that payment was due on the original claim.* A person who fails to make a claim within the period provided by law waives any right to a payment of the claim.

(f) This section does not apply to a claim for a refund of a tax or fee.

SECTION 11. Subsections (c) and (d), Section 404.062, Government Code, are amended to read as follows:

(c) *This subsection applies to money the status of which is undetermined or that is awaiting the time when it can be taken into the treasury. The money shall be placed with the treasurer and credited to the suspense account. The treasurer shall request and maintain information about the deposit of funds into the suspense account in accordance with Section 403.052. [A deposit receipt shall be issued by the comptroller for the daily total of those remittances. The cashier of the treasury department shall keep a*

~~cash book, to be called the suspense cash book, in which are entered those deposit receipts and other receipts issued for cash received for which a deposit warrant may not be issued or for which issuance of a deposit warrant is delayed.]~~

(d) When the status of money placed *in the suspense account* ~~[with the treasurer on a deposit receipt]~~ is determined, the money shall be transferred from the suspense account by placing the portion of it belonging to the state in the treasury ~~[by the issuance of a deposit warrant]~~, and the part not belonging to the state shall be refunded. *The refund shall be made either to the payor of the money or to the payor's estate, assignee, devisee, or other successor-in-interest.*

SECTION 12. Section 404.066, Government Code, is amended to read as follows:

Sec. 404.066. LEDGER. (a) The general ledger kept by the treasurer shall contain accounts for each fund. Those accounts shall be credited with the existing balances and the daily totals of *deposits* ~~[deposit warrants]~~. Warrants issued *and electronic funds transfers* shall be charged *daily* to the fund accounts ~~[from the warrants issued registers in daily totals]~~.

(b) The ledger shall contain control accounts for cash, depository banks, bonds, interest, securities, warrants payable, and other necessary accounts. Postings shall be made to the ledger daily ~~[from the deposit warrant register, warrants issued registers, warrants paid register, and other supporting records]~~.

(c) The ledger shall be balanced daily.

SECTION 13. Section 404.141, Government Code, is amended to read as follows:

Sec. 404.141. PURPOSE OF PETTY CASH ACCOUNTS. A petty cash account may be established for:

- (1) making change of currency;
- (2) advancing travel expense money to state officers and employees;
- (3) making small disbursements concerning which formal expenditure procedures are not cost-effective; or
- (4) any similar purpose *or combination of purposes* a state agency considers prudent for conducting state business.

SECTION 14. Subchapter I, Chapter 404, Government Code, is amended by adding Section 404.1411 to read as follows:

*Sec. 404.1411. TRAVEL ADVANCES. (a) This section applies only to the petty cash accounts that are established for advancing travel expense money to state officers and employees.*

*(b) The comptroller shall adopt rules governing the use of petty cash accounts.*

*(c) The comptroller's rules must:*

- (1) prohibit the use of a petty cash account to advance more than projected travel expenses to a state officer or employee;*
- (2) prohibit a state agency from using a petty cash account to advance travel expense money to a prospective state officer or employee;*
- (3) require a final accounting after a state officer or employee has incurred travel expenses; and*
- (4) prohibit a state agency from using a petty cash account for any purpose other than advancing travel expense money to a state officer or employee.*

*(d) In this section, "final accounting" means a reimbursement from or additional payment to a state officer or employee so that the amount advanced from a petty cash account equals the actual travel expenses incurred by the officer or employee.*

SECTION 15. Section 404.143, Government Code, is amended by adding Subsection (e) to read as follows:

*(e) A petty cash account established for a purpose or combination of purposes that a state agency considers prudent for conducting state business may not exceed the*

*amount determined by the comptroller as necessary for the efficient operation of the agency.*

SECTION 16. Subsection (h), Section 404.147, Government Code, is amended to read as follows:

(h) A state agency may keep currency in its office for the purpose of making change, spot purchases, or any similar purpose *or combination of purposes* as determined by the agency. The amount of currency kept in the office may not exceed \$100 *unless the comptroller determines that a higher amount is necessary for the efficient operation of the agency* ~~[at any time]~~. The agency may obtain this currency by drawing checks on the petty cash account. The documentation that the agency would maintain if a disbursement were made from the petty cash account itself must be maintained for each disbursement from the currency kept in the office.

SECTION 17. Section 404.149, Government Code, is amended to read as follows:

Sec. 404.149. *EXCEPTIONS* ~~[EXCEPTION]~~. This subchapter does not apply to:

- (1) a state agency whose funds are located completely outside the state treasury;
- (2) *the petty cash accounts maintained by the Texas Department of Mental Health and Mental Retardation under Section 2.17(b)(3), Texas Mental Health and Mental Retardation Act (Article 5547-202, Vernon's Texas Civil Statutes);*
- (3) *the petty cash accounts that are funded by funds outside the state treasury; or*
- (4) *the imprest funds maintained by law enforcement agencies for the purchase of evidence or other enforcement purposes.*

SECTION 18. Section 431.013, Government Code, is amended to read as follows:

Sec. 431.013. *EXPENDITURES*. The comptroller may not issue a warrant on or *initiate an electronic funds transfer from the state treasury for an expenditure* ~~[money expended]~~ under this chapter unless ~~[an itemized account for]~~ the expenditure is ~~[filed in the comptroller's office. The account must:~~

- ~~[(1) be sworn to by the person expending the money;~~
- ~~[(2) show the time and purpose of the expenditure and for what and by whom the money is expended; and~~
- ~~[(3) be] approved by the adjutant general and the governor or their designees before payment.~~

SECTION 19. Subsection (h), Section 481.084, Government Code, is repealed.

SECTION 20. Chapter 481, Government Code, is amended by adding Section 481.0841 to read as follows:

Sec. 481.0841. *PAYMENTS NOT TO BE MADE TO DEFAULTING USERS.* (a) *The department shall report to the comptroller the name of any user who is in default on a loan guaranteed under this subchapter and with respect to which the department has been required to honor a guarantee. The comptroller may not issue a warrant or initiate an electronic funds transfer to the user while the user is in default.*

(b) *The comptroller may issue a warrant to the assignee of a user who is in default only if the assignment became effective before the user defaulted.*

(c) *This section does not prohibit the comptroller from issuing a warrant or initiating an electronic funds transfer to pay the compensation of a state officer or employee.*

(d)(1) *This subsection applies when a payment is made to a user other than through the comptroller's issuance of a warrant or the comptroller's use of an electronic funds transfer system.*

(2) *A state agency may not use funds inside or outside the state treasury to pay a user if the agency knows that the user is in default on a loan guaranteed under this subchapter and with respect to which the department has been required to honor a guarantee.*

(3) *This subsection does not prohibit a state agency from paying the assignee of a user who is in default if the assignment became effective before the user defaulted.*

(4) *This subsection does not prohibit a state agency from paying the compensation of a state officer or employee.*

(5) *The comptroller may not reimburse a state agency for a payment that is made in violation of this subsection.*

(e) *In this section:*

(1) *"Compensation" includes wages, salaries, longevity pay, hazardous duty pay, and emoluments that are provided in lieu of wages or salaries. The term does not include expense reimbursements.*

(2) *"State agency" means a board, commission, council, committee, department, office, agency, or other governmental entity in the executive, legislative, or judicial branch of state government. The term includes an institution of higher education as defined by Section 61.003, Education Code.*

(3) *"State officer or employee" means an officer or employee of a state agency.*

SECTION 21. Section 33.009, Human Resources Code, is repealed.

SECTION 22. Article 1.31, Insurance Code, is amended to read as follows:

Art. 1.31. REFUNDS. This article applies to any tax, fee, or other sum of money, including any interest or penalty, collected or administered by the State Board of Insurance. When the State Board of Insurance determines that any person, firm, or corporation has through mistake of law or fact overpaid or paid erroneously any amount to the state on any tax, fee, or other sum of money, including any interest or penalty, collected or administered by the State Board of Insurance, the State Board of Insurance may refund such payment by warrant on the state treasury from any funds appropriated for such purpose. ~~[This article shall not apply to any payment of tax made pursuant to Articles 4769, 7064, and 7064a of the Revised Civil Statutes of Texas, 1925.]~~

SECTION 23. Section 12A, Article 21.28, Insurance Code, is amended to read as follows:

Sec. 12A. LEGISLATIVE APPROPRIATIONS. (a) It is the sense of the Legislature, as necessary to state policy, that facilities be immediately and continually available to meet any or all of the requirements of preparing for, placing in, continuing or completing any liquidation, rehabilitation, reorganization or conservation of insurers, and in order to make such provision and to provide that the Liquidator and employees be used for other Insurance Department duties when not involved in liquidation or conservation matters, the Legislature may make provisions for the Liquidator and employees and their expenses, in whole or in part, by making appropriations therefor, or by appropriating or permitting use of funds, other than funds or assets of insurers being liquidated, rehabilitated, reorganized or conserved, which are received by or made available to the Board, or by establishing disappearing or partially or wholly reimbursable revolving funds in the Appropriation Acts, notwithstanding any other provision of Article 21.28 of Chapter 21 of the Insurance Code.

The provisions of this Act are cumulative of existing law and in the event of conflict the provisions of this Act shall govern.

(b) *The Liquidator and the employees working for the Liquidator or in the liquidation division of the State Board of Insurance are employees of the State Board of Insurance for the purpose of:*

(1) *reporting payroll information to the uniform statewide accounting system;*  
*and*

(2) *submitting vouchers to the comptroller for the payment of the salaries of the Liquidator and the employees.*

SECTION 24. Subsection (b), Section 51.068, Natural Resources Code, is amended to read as follows:

(b) The state treasurer shall deposit 80 percent of all these payments received each month to the probable fund to which they belong as indicated by the commissioner and shall hold the remaining 20 percent ~~in the suspense account on deposit receipts furnished by the comptroller~~ until definite notice is received from the commissioner as to the proper



fund. After definite notice is received, the State Treasurer shall credit the full amount to the proper fund.

SECTION 25. Section 11.039, Parks and Wildlife Code, is repealed.

SECTION 26. Subsection (a), Section 112.058, Tax Code, is amended to read as follows:

(a) Except as provided in Subsections (b) and (c) of this section, payments made under protest are to be handled as follows:

(1) An officer who receives payments made under protest as required by Section 112.051 of this code shall each day send to the treasurer the payments, a list of the persons making the payments, and a written statement that the payments were made under protest.

~~(2) [The comptroller shall issue a deposit receipt to each state department for the daily total of payments received from each department.]~~

~~[(3) The treasurer shall make and keep a suspense cash book in which deposit receipts are entered.]~~

[(4)] The treasurer shall, immediately on receipt, *credit the payments to the suspense account in accordance with Section 404.062(c), Government Code, and deposit [place] the payments in state depositories bearing interest in the same manner that other funds are required to be placed in state depositories at interest.*

(3) [(5)] The treasurer shall allocate the interest earned on these funds and credit the amount allocated to the suspense account until the status of the funds is finally determined.

(4) [(6)] A payment under protest that is placed in a fund or an account other than a suspense account bears pro rata interest. The pro rata interest is the amount of interest that would be due if the amount had been placed in the suspense account.

SECTION 27. Section 112.059, Tax Code, is amended to read as follows:

Sec. 112.059. DISPOSITION OF PROTEST PAYMENTS BELONGING TO THE STATE. [(a)] If a suit authorized by this subchapter is not brought in the manner or within the time required or if the suit is properly filed and results in a final determination that a tax payment or a portion of a tax payment made under protest, including the pro rata amount of interest earned on the payment, belongs to the state, the treasurer shall transfer the proper amount from the suspense account to the appropriate state fund ~~[by the issuance of a deposit warrant].~~

~~[(b) Each warrant issued under this section shall be entered in the suspense cash book and the appropriate fund to which the transfer is made shall be properly credited with the correct amount.]~~

SECTION 28. Section 3.15, State Purchasing and General Services Act (Article 601b, Vernon's Texas Civil Statutes), is amended by adding Subsection (h) to read as follows:

*(h) This section does not apply to interagency purchases or transactions. Interagency purchases and transactions must be accomplished on special vouchers or electronically as prescribed by the comptroller of public accounts. The commission shall audit all interagency purchases and transactions after they have been completed.*

SECTION 29. Section 3, The Interagency Cooperation Act (Article 4413(32), Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 3. (a) Any state agency may enter into and perform a written agreement or contract with other agencies of the state for *providing [furnishing] necessary and authorized special or technical services, including the services of employees, [the services of] materials, or [the services of] equipment. The actual cost of providing [rendering] the services, materials, or equipment, or the nearest practicable estimate of the cost [that is practicable], shall be reimbursed on the special vouchers or electronically as prescribed by the comptroller. Reimbursements are not required when services, materials, or equipment are provided[, except in case of service rendered] in the fields of national defense or disaster relief, or in cooperative efforts, proposed by the governor [Governor], to promote the economic development of the state.*

(b) *This Act does not* ~~[Provided, however, nothing herein shall]~~ authorize any state agency to construct a ~~[any]~~ highway, street, road, ~~[or other]~~ building, or structure for any other agency, except as otherwise specifically authorized by ~~[existing]~~ law. *This Act does not affect the authority*, ~~and, except as to the right~~ of the State ~~[Texas Highway]~~ Department of Highways and Public Transportation to enter into an interagency agreement ~~[agreements]~~ with a ~~[any]~~ state college or university or public junior college ~~[colleges providing]~~ for the maintenance, improvement, relocation, or extension of existing on-campus streets, parking lots, and access-ways.

(c) *No state* ~~[Provided, however, no]~~ agency may provide ~~[shall supply]~~ any services, ~~[supplies, or]~~ materials, or equipment to another agency if Article XVI, Section 21, of the Texas ~~[which are required by Section 21 of Article 16 of the]~~ Constitution requires them ~~[of Texas]~~ to be provided ~~[supplied]~~ under a contract awarded ~~[given]~~ to the lowest responsible bidder.

(d) A contract entered into by state agencies pursuant to this Act may authorize ~~[permit]~~ a performing agency to subcontract and purchase services, materials, and equipment to the extent deemed appropriate by the State Purchasing and General Services Commission.

(e) A receiving agency may advance funds to a performing agency when necessary for the performing agency to be able to provide services, materials, or equipment to the receiving agency. If an advance is made, the receiving agency and performing agency shall ensure after the services, materials, or equipment are provided that the performing agency has received only enough funds to reimburse it for its total costs. An advance of funds is a reimbursement for the purpose of Section 6 of this Act.

(f) A receiving agency may advance federal funds to a performing agency when the ~~[a]~~ receiving agency determines that the advance ~~[such advances]~~ would facilitate the implementation of a federally funded program.

SECTION 30. Section 6, The Interagency Cooperation Act (Article 4413(32), Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 6. (a) A receiving agency shall reimburse a performing agency ~~[Payments for such services by a receiving agency shall be made]~~ from the appropriation items or accounts of the receiving agency from which like expenditures would normally be made. A reimbursement must be made on a voucher ~~[based upon vouchers]~~ drawn ~~[for this purpose]~~ by the receiving agency and payable to the performing ~~[furnishing]~~ agency or electronically as prescribed by the uniform statewide accounting system. A receiving agency may authorize a performing agency to access the receiving agency's current appropriation items or accounts for reimbursements under this Act.

(b) A reimbursement ~~[Payments]~~ received by a performing agency must ~~[the State agency performing the services shall]~~ be credited to the ~~[that State]~~ agency's current appropriation items or accounts from which the expenditures of that character were originally made.

(c) Payments for intraagency transactions shall be handled in the same manner as interagency transactions or by interdivisional transfer of funds on the records of the agency concerned, subject to the applicable provisions of the biennial appropriations act.

(d) The State Purchasing and General Services Commission shall audit a reimbursement under this Act for compliance with the contract after the reimbursement has been completed. If the commission determines that an unauthorized reimbursement has occurred, the commission shall notify the comptroller. On receipt of the notification, the comptroller shall return the reimbursement to the reimbursing agency's current appropriation items or accounts. To the extent practicable, a reimbursement must be returned to the item or account from which the reimbursement was originally made.

SECTION 31. Title 72, Revised Statutes, is amended by adding Article 4591.2 to read as follows:

Art. 4591.2. HOLIDAYS FOR STATE EMPLOYEES

Sec. 1. In this article:

(1) "National holiday" means:

- (A) the first day of January;
- (B) the third Monday in January;
- (C) the third Monday in February;
- (D) the last Monday in May;
- (E) the fourth day of July;
- (F) the first Monday in September;
- (G) the 11th day of November;
- (H) the fourth Thursday in November; and
- (I) the 25th day of December.

(2) "Optional holiday" means Rosh Hashanah, Yom Kippur, and Good Friday.

(3) "State agency" means a board, commission, council, department, committee, agency, office, or other unit of state government that was created by the constitution or a statute of this state and that is in the executive, legislative, or judicial branch of state government. The term does not include a local government, a river authority, a special district, a political subdivision, or an institution of higher education as defined by Section 61.003, Education Code.

(4) "State employee" means an appointed, nonconstitutional officer or an employee of a state agency. The term includes a part-time, hourly, or temporary state employee.

(5) "State holiday" means:

- (A) the 19th day of January;
- (B) the second day of March;
- (C) the 21st day of April;
- (D) the 19th day of June;
- (E) the 27th day of August;
- (F) every day on which an election is held throughout the state;
- (G) the fourth Friday of November;
- (H) the 24th day of December; and
- (I) the 26th day of December.

(6) "Temporary employee" does not include an independent contractor or the employee of an independent contractor.

Sec. 2. A state employee is entitled to a paid day off from work on each national holiday and state holiday if:

- (1) the holiday does not fall on a Saturday or Sunday; and
- (2) the General Appropriations Act does not prohibit state agencies from observing the holiday.

Sec. 3. A state agency must have enough state employees on duty during a state holiday to conduct the public business of the agency. This section does not apply to a state holiday that falls on a Saturday or Sunday, the fourth Friday of November, the 24th day of December, or the 26th day of December.

Sec. 4. A state employee who is required to work on a national holiday or a state holiday that does not fall on a Saturday or Sunday is entitled to compensatory time off during the 12-month period following the holiday. A state employee must give reasonable notice of the employee's intention to use the compensatory time, but is not required to say how the compensatory time will be used.

Sec. 5. (a) This section applies only to a state employee who normally works 40 hours per week on a schedule other than Monday through Friday.

(b) A state employee is entitled to paid holiday time off during a fiscal year equal to eight hours multiplied by the number of national holidays and state holidays during the fiscal year as determined under Section 2 of this article.

(c) When a state employee works less than an entire fiscal year, the employee is entitled to paid holiday time off during the fiscal year equal to eight hours multiplied by the number of national holidays and state holidays that occur during the period worked by the employee as determined under Section 2 of this article.

Sec. 6. (a) A state employee is entitled to a paid day off on an optional holiday that does not fall on Saturday or Sunday if the employee agrees to relinquish during the same fiscal year a state holiday that does not fall on a Saturday or Sunday.

(b) When an optional holiday extends for more than one day, a state employee is entitled to a paid day off on each day of the holiday if the employee agrees to relinquish an equivalent number of state holidays.

(c) A state employee may not agree to relinquish the fourth Friday of November, the 24th day of December, or the 26th day of December.

Sec. 7. A part-time state employee is a state employee for the purpose of this article with the following exceptions. When a part-time state employee is entitled to a paid day off under this article, the amount of the employee's pay for the day must be proportionally reduced to account for the fewer hours the employee normally works. Section 5 of this article applies to a part-time employee who normally works other than Monday through Friday except that the paid holiday time off during a fiscal year must be proportionally reduced to account for the fewer hours the employee normally works. An hourly or temporary state employee who normally works fewer than 40 hours per week is a part-time employee for the purpose of this section.

Sec. 8. (a) A state employee who begins working for a state agency on the first workday of a month is entitled to be paid for a state holiday or national holiday that occurs before the first workday if the holiday:

- (1) occurs during the month; and
- (2) does not fall on a Saturday or Sunday.

(b) A state employee who stops working for a state agency on the last workday of a month is entitled to be paid for a state holiday or national holiday that occurs after the last workday if the holiday:

- (1) occurs during the month; and
- (2) does not fall on a Saturday or Sunday.

(c) In this section, "workday" means a day on which a state employee is normally scheduled to work.

Sec. 9. This article applies to a state employee of the house of representatives or the senate only at the discretion of the presiding officer or the administration committee of each house.

SECTION 32. Chapter 341, Acts of the 52nd Legislature, Regular Session, 1951 (Article 6252-5, Vernon's Texas Civil Statutes), is repealed.

SECTION 33. Chapter 217, Acts of the 61st Legislature, Regular Session, 1969 (Article 6252-8a, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 1. (a) In this Act, "state employee" [~~"Employee" as used in this Act~~] means an ~~any~~ appointed officer or an employee of ~~[in]~~ a state agency ~~[department of the State]~~ who normally works at least ~~[is employed on a basis or a position normally requiring not less than]~~ 900 hours per year. The term includes an hourly or a temporary state employee.

(b) The term "state employee" does~~[but shall]~~ not include:

- (1) a member ~~[members]~~ of the legislature;
- (2) a person who holds ~~[Legislature or any incumbent of]~~ an office normally filled by vote of the people;
- (3) a person employed ~~[nor persons]~~ on a piecework basis;

(4) ~~an operator [nor operators]~~ of equipment or ~~a driver of a team [drivers of teams]~~ whose wages are included in the rental ~~[rate]~~ paid by a state agency to the owner ~~[owners]~~ of the ~~[said]~~ equipment or team;

(5) a ~~[nor any]~~ person ~~[who is]~~ covered by the Judicial Retirement System of Texas Plan One or the Judicial Retirement System of Texas Plan Two;

(6) a ~~[nor any]~~ person ~~[who is]~~ covered by the Teacher Retirement System of Texas; or

(7) ~~an independent contractor or the employee of an independent contractor.~~

(c) Notwithstanding Subsection (b)(6) of this section, the term "state employee" includes a person~~[, except persons]~~ employed by the Teacher Retirement System, the Central Education Agency, the Texas Higher Education Coordinating Board, the Texas National Research Laboratory Commission, the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, the Texas Youth Commission, the Windham School District of the Texas Department of Criminal Justice, or the Texas Rehabilitation Commission. The term also includes a~~[, and]~~ classified, administrative, faculty, or ~~[and]~~ professional employee of ~~[staff members employed by]~~ a state ~~[State]~~ institution or agency of higher education who has ~~[have]~~ accumulated vacation leave or sick leave, or both, during the ~~[such]~~ employment.

Sec. 2. (a) Upon the death of a state employee, the state shall pay the employee's ~~[his]~~ estate for the employee's vacation leave and sick leave balances in accordance with the limits, if any, established by the General Appropriations Act. Notwithstanding the General Appropriations Act, the payment may not be for more than:

(1) all of the employee's accumulated vacation leave; and

(2) ~~[for]~~ one-half of the employee's ~~[his]~~ accumulated sick leave.

(b) A state agency must use the state employee's compensation rate at the time of his death to calculate the amount of a payment. An emolument in-lieu-of base-pay must be included in the compensation rate if the employee was eligible for the emolument on the last day of employment. Neither longevity pay nor hazardous duty pay may be included in the compensation rate.

(c)(1) For calculation purposes, the total accumulated leave hours, as determined under Subsection (a) of this section, must be allocated over the workdays following the employee's death until the hours are completely allocated. For each state holiday or national holiday that occurs before the complete allocation of the hours, eight hours must be added to the total accumulated leave hours. The resulting number of hours must then be multiplied by the employee's hourly compensation rate to determine the amount of the payment.

(2) Subdivision (1) of this subsection applies to a state employee who was normally scheduled to work fewer than 40 hours per week as of the last workday before the employee's death, with one exception. The number of holiday hours that is added to the employee's accumulated leave hours must be proportional to the fewer hours the employee was normally scheduled to work.

(d) If a general salary increase for state employees takes effect before the total accumulated leave hours are completely allocated, the increase may not be considered in calculating the amount of the payment.

(e) In this section:

(1) "National holiday" and "state holiday" have the meanings assigned by Article 4591.2, Revised Statutes.

(2) "Workday" includes a state holiday and a national holiday. ~~[The payment shall be calculated at the rate of compensation being paid the employee at the time of his death.]~~

Sec. 3. Funds appropriated for salaries to the state ~~[department or]~~ agency for which the employee worked must ~~[shall]~~ be used in making the payments required ~~[provided for]~~ by this Act. A state agency must charge a payment under this Act to the fiscal year during which an employee's death occurred.

*Sec. 3A. (a) This Act does not apply if a state employee dies before the employee has accrued six months of continuous state employment.*

*(b) A state employee is not required to accrue more than one six-month period of continuous state employment during his lifetime.*

*(c) The term "continuous state employment" means employment with the state that is not interrupted by a period when a state employee is not being paid a regular state salary. The period when an employee is on leave without pay is not an interruption for the purpose of this subsection. However, the period does not count toward fulfilling the six-month requirement if the period covers an entire calendar month or a multiple of entire calendar months.*

**SECTION 34.** Sections 1 and 1A, Chapter 298, Acts of the 64th Legislature, 1975 (Article 6252-8b, Vernon's Texas Civil Statutes), are amended to read as follows:

**Sec. 1. (a)** A state employee who *separates* ~~[resigns, is dismissed, or separated]~~ from state employment is ~~[shall be]~~ entitled to be paid ~~[in a lump sum]~~ for the accrued balance of the employee's ~~[all]~~ vacation time as of ~~[duly accrued at]~~ the date ~~[time]~~ of separation ~~[from state employment; provided the employee has had continuous employment with the state for six months].~~

*(b) In this section:*

*(1) "State employee" means an employee or an appointed officer of a state agency who serves on a part-time or a full-time basis. The term includes an hourly or a temporary state employee.*

*(2) "State employee" does not include:*

*(A) a member of the legislature;*

*(B) a person who holds an office normally filled by vote of the people;*

*(C) a person employed on a piecework basis;*

*(D) an operator of equipment or a driver of a team whose wages are included in the rental paid by a state agency to the owner of the equipment or team;*

*(E) a person covered by the Judicial Retirement System of Texas Plan One or the Judicial Retirement System of Texas Plan Two;*

*(F) a person covered by the Teacher Retirement System of Texas except for:*

*(i) an employee of the Teacher Retirement System, the Central Education Agency, the Texas Higher Education Coordinating Board, the Texas National Research Laboratory Commission, the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, the Texas Youth Commission, the Windham School District of the Texas Department of Criminal Justice, or the Texas Rehabilitation Commission; and*

*(ii) a classified, administrative, faculty, or professional employee of a state institution or agency of higher education who has accumulated vacation leave during the employment; and*

*(G) an independent contractor or the employee of an independent contractor.*

*(c)(1) This section applies regardless of the reason for or mode of separation from state employment.*

*(2) For the purpose of this section, "separation from state employment" includes:*

*(A) a state employee leaving one state agency to begin working at another state agency, provided at least one workday occurs between the employee's separation from the first state agency and the employee's first day at work for the second state agency;*

*(B) a state employee moving from a position that accrues vacation time with a state agency to a position that does not accrue vacation time with the same agency provided the agency agrees to pay the employee for the accrued balance of the employee's vacation time; and*

*(C) a state employee moving from a position that accrues vacation time with a state agency to a position that does not accrue vacation time with a different state*

*agency provided the latter state agency refuses to credit the employee for the balance of the employee's vacation time as of the date of the move.*

*(d)(1) Except as provided in Subsection (e) of this section, a state agency must pay a state employee for his accrued vacation time in a lump sum.*

*(2) A state agency must calculate the amount of a lump-sum payment by using the state employee's compensation rate at the time of his separation from state employment. An emolument in lieu of base pay must be included in the compensation rate if the employee was eligible for the emolument on the last day of employment. Neither longevity pay nor hazardous duty pay may be included in the compensation rate.*

*(3)(A) For calculation purposes, a state employee's accrued vacation time must be allocated over the workdays following the employee's separation from state employment until the time is completely allocated. For each state holiday or national holiday that occurs before the complete allocation of the vacation time, eight hours must be added to the accrued vacation time. The resulting number of hours must then be multiplied by the employee's hourly compensation rate to determine the amount of the payment.*

*(B) Subparagraph (A) of this subdivision applies to a state employee who was normally scheduled to work fewer than 40 hours per week as of the employee's last workday, with one exception. The number of holiday hours that is added to the employee's accrued vacation time must be proportional to the fewer hours the employee was normally scheduled to work.*

*(4) If a general salary increase for state employees takes effect before the accrued vacation time is completely allocated, the increase may not be considered in calculating the amount of the payment.*

*(5) In this subsection:*

*(A) "National holiday" and "state holiday" have the meanings assigned by Article 4591.2, Revised Statutes.*

*(B) "Workday" includes a state holiday and a national holiday.*

*(e)(1) If a state employee and the employee's employing state agency agree, the employee may remain on the agency's payroll to exhaust the employee's accrued vacation time.*

*(2) While remaining on the payroll, a state employee is entitled to continue receiving all the compensation and benefits that the employee was receiving on the employee's last day of duty, including paid holidays, longevity pay, and hazardous duty pay.*

*(3) If a general salary increase for state employees takes effect while a state employee is remaining on the payroll, the employee is entitled to the increase.*

*(4) A state employee may not use sick leave or accrue sick leave or vacation time while remaining on the payroll.*

*(f) When a person holds two or more positions, one or more of which accrues vacation time, and the person terminates from one of the accruing positions, the person has separated from state employment for the purpose of this section with respect to the position from which the person terminates.*

*(g) This section does not apply if a state employee separates from state employment before the employee has accrued six months of continuous state employment. A state employee is not required to accrue more than one six-month period of continuous state employment during his lifetime. The term "continuous state employment" means employment with the state that is not interrupted by a period when a state employee is not being paid a regular state salary. The period when an employee is on leave without pay is not an interruption for the purpose of this subsection. However, the period does not count toward fulfilling the six-month requirement if the period covers an entire calendar month or a multiple of entire calendar months.*

*(h) A state agency must charge a lump-sum payment for accrued vacation time to the fiscal year in which an employee's separation from service becomes effective.*

Sec. 1A. A contributing member of the Employees Retirement System of Texas who retires is entitled to be paid in a lump sum, from funds of the agency or department from which the member retires, for any accumulated *vacation* leave accrued at the time of retirement. The amount paid shall be computed in the same manner as if the member had taken *vacation* leave at the rate of compensation being paid the member at the time of retirement and is payable on the date of retirement. *Section 1 of this Act prevails over this section if an irreconcilable conflict exists between the two sections.*

SECTION 35. Title 110A, Revised Statutes, is amended by adding Article 6252-31 to read as follows:

**Art. 6252-31. EXPENDITURES BY STATE AGENCIES**

**Sec. 1. In this article:**

*(1) "Chief deputy" means the individual who is authorized by law to administer a state agency that is headed by an elected or appointed state official during the absence of the official or during the official's inability to act.*

*(2) "Executive director" means the individual who is the chief administrative officer of a state agency that is headed by a governing body. The term excludes a member of a governing body.*

*(3) "Governing body" means a board, commission, committee, council, or other group of individuals that is collectively authorized by law to administer a state agency.*

*(4) "Head of agency" means the elected or appointed state official who is authorized by law to administer a state agency.*

*(5) "State agency" means a department, board, commission, committee, council, agency, office, or other entity that is in the executive, legislative, or judicial branch of state government. The term includes an institution of higher education as defined by Section 61.003, Education Code. The term excludes a public junior college and an entity the jurisdiction of which is limited to a geographical portion of the state.*

Sec. 2. *(a) A state agency may expend appropriated funds only on a warrant drawn by the comptroller.*

*(b) The comptroller may not draw a warrant until:*

*(1) the state agency from whose appropriations the warrant is payable has submitted a voucher to the comptroller;*

*(2) the state agency has approved the voucher in accordance with this article; and*

*(3) the comptroller has audited and approved the voucher as required by law.*

*(c) This article does not prohibit the comptroller from using an electronic funds transfer system in lieu of issuing a warrant. The requirements in this article for the submission and approval of vouchers also apply when the comptroller uses an electronic funds transfer system.*

Sec. 3. *(a) A state agency headed by a governing body may approve a voucher only in accordance with this section.*

*(b) The chairman of a governing body may approve a voucher anytime after submitting a signature card to the comptroller.*

*(c) An officer or employee of the state agency submitting a voucher may approve the voucher anytime after:*

*(1) the governing body of the agency has authorized the officer or employee to approve vouchers;*

*(2) the comptroller has received written notice from the chairman of the governing body that the governing body has authorized the officer or employee to approve vouchers; and*

*(3) the comptroller has received a signature card from the officer or employee.*



(d) A governing body may revoke its authorization of an officer or employee to approve vouchers. When a governing body revokes an authorization, the chairman of the governing body shall ensure that the comptroller receives written notice of the revocation by no later than the 10th day after the effective date of the revocation.

(e) A governing body may authorize either its chairman or its executive director to designate an officer or employee to approve vouchers and to revoke those designations when necessary. Before the chairman or executive director may make or revoke designations, the chairman must notify the comptroller in writing that the governing body has granted the necessary authority to the chairman or executive director.

Sec. 4. (a) A state agency headed by an elected or appointed state official may approve a voucher only in accordance with this section.

(b) A head of agency may approve a voucher anytime after submitting a signature card to the comptroller.

(c) An officer or employee may approve a voucher anytime after:

(1) the head of agency has delegated the authority to approve vouchers to the officer or employee;

(2) the comptroller has received written notice from the head of agency that he has delegated to the officer or employee the authority to approve vouchers; and

(3) the comptroller has received a signature card from the officer or employee.

(d) A head of agency may revoke his authorization of an officer or employee to approve vouchers. The head of agency shall ensure that the comptroller receives written notice of a revocation by no later than the 10th day after its effective date.

(e) A head of agency may authorize his chief deputy to designate an officer or employee to approve vouchers and to revoke designations when necessary. The chief deputy may exercise the authority after the comptroller has received written notice from the head of agency that he has delegated the authority to the chief deputy.

Sec. 5. This article does not prohibit a state agency from designating more than one officer or employee of the agency to approve the agency's vouchers.

Sec. 6. (a) The comptroller may establish by rule a system for the electronic submission and approval of vouchers by state agencies if the comptroller determines that the system will facilitate the operation and administration of the uniform statewide accounting system.

(b) If the comptroller establishes a system for the electronic submission and approval of vouchers, Sections 2 through 5 of this article do not apply except to the extent that the sections require a state agency to approve its vouchers. The comptroller may devise electronic means for approving vouchers.

(c) An electronic system must provide a level of security at least as great as the level of security that would be provided by Sections 2 through 5 of this article.

Sec. 7. (a) When a state agency sends a voucher and related documentation to the State Purchasing and General Services Commission for approval, only the commission itself may approve the voucher unless the commission has already designated officers or employees of the commission to approve vouchers. The commission shall give written notice of those designations to the comptroller together with signature cards from the individuals designated.

(b) The comptroller may establish by rule a system for the electronic approval of vouchers by the State Purchasing and General Services Commission. An electronic voucher approval system must provide a level of security at least as great as the level of security that would be provided by Subsection (a) of this section.

Sec. 8. (a) The State Highway and Public Transportation Commission may delegate to one or more employees of the State Department of Highways and Public Transportation the authority to approve vouchers for expenditures from the State Highway Fund and the authority to approve and sign contracts and other documents. These delegations of authority must be limited to effectuating the orders, policies, and work programs of the commission.

*(b) The State Highway and Public Transportation Commission may require a recipient of a delegation of authority to post a bond payable to the state in the amount the commission deems necessary. If the commission requires the posting of a bond, the bond must be conditioned upon faithful performance. The commission shall pay the premium on all bonds from the State Highway Fund.*

*Sec. 9. This article does not apply to an expenditure from an appropriated local fund. However, this article applies when a state agency seeks the reimbursement of an appropriated local fund for an expenditure from the fund.*

SECTION 36. (a) Chapter 718, Acts of the 66th Legislature, 1979 (Article 6813d, Vernon's Texas Civil Statutes), is repealed.

(b) The repeal does not affect the eligibility of state employees to receive or continue receiving longevity pay under Subsections (b) and (c), Section 1, Chapter 211, Acts of the 66th Legislature, 1979 (Article 6252-20b, Vernon's Texas Civil Statutes).

SECTION 37. Title 117, Revised Statutes, is amended by adding Article 6813d-1 to read as follows:

**Art. 6813d-1. LONGEVITY PAY FOR STATE EMPLOYEES**

**Sec. 1. DEFINITIONS.** *In this article:*

*(1) "Full-time state employee" means:*

*(A) a state employee who works in the executive or judicial branch of state government and who is normally scheduled to work at least 40 hours per week in one position; or*

*(B) a state employee who works in the legislative branch of state government and who is normally scheduled to work a total of 40 or more hours per week in all positions held in the legislative branch.*

*(2) "Part-time state employee" means a state employee who is not a full-time state employee.*

*(3) "Regular, nonacademic employee" means a person who works in a nonacademic position at least 20 hours per week for at least 4.5 consecutive months.*

*(4) "State employee" means, except as specified in Subdivision (5) of this section, a person who:*

*(A) is covered by the Position Classification Act of 1961 (Article 6252-11, Vernon's Texas Civil Statutes);*

*(B) holds a line item or exempt position;*

*(C) is a regular, nonacademic employee of a state institution of higher education; or*

*(D) is an hourly employee of the state.*

*(5) "State employee" does not include:*

*(A) a member of the legislature;*

*(B) a person who holds a statewide office that is normally filled by vote of the people;*

*(C) an independent contractor or the employee of an independent contractor;*

*(D) a temporary employee;*

*(E) an officer or employee of a public junior college; or*

*(F) an academic employee of a state institution of higher education.*

*(6) "Temporary employee" does not include an independent contractor or the employee of an independent contractor.*

**Sec. 2. ENTITLEMENT.** *A person's compensation for a month includes longevity pay if:*

*(1) the person is a full-time state employee on the first workday of the month;*

*(2) the person is not on leave without pay on the first workday of the month; and*

(3) the person has accrued at least five years of lifetime service credit by no later than the last day of the preceding month.

**Sec. 3. AMOUNT.** (a) The monthly amount of longevity pay is \$4 for each year of lifetime service credit. The amount increases when the 10th, 15th, 20th, and 25th years of lifetime service credit are accrued. An increase is effective beginning with the month following the month in which the 10th, 15th, 20th, and 25th years of lifetime service credit are accrued.

(b) A person may not receive from the state as longevity pay more than \$4 for each year of lifetime service credit, regardless of the number of positions the person holds or the number of hours the person works each week.

**Sec. 4. CHANGE IN STATUS.** When a state employee ceases being a full-time state employee after the first workday of a month, the employee's compensation for the month includes full longevity pay if the employee otherwise qualifies for the pay.

**Sec. 5. ACCRUAL OF LIFETIME SERVICE CREDIT.** (a) For the purpose of this article, a person accrues lifetime service credit for the period the person:

- (1) serves as a full-time state employee;
- (2) serves as a part-time state employee;
- (3) serves as a temporary state employee;
- (4) serves as a member of the legislature;
- (5) holds a statewide office that is normally filled by vote of the people;
- (6) serves as an academic employee of a state institution of higher education; or
- (7) otherwise serves as an employee of the state.

(b) A person who is on leave without pay for an entire calendar month does not accrue lifetime service credit for the month. A person who is on leave without pay for less than an entire calendar month accrues lifetime service credit for the month if the person otherwise qualifies to accrue the credit under Subsection (a) of this section.

(c) A person who simultaneously holds two or more positions that each accrue lifetime service credit may accrue lifetime service credit for only one of those positions.

(d) A person who begins working on the first workday of a month in a position that accrues lifetime service credit is considered to have begun working on the first calendar day of the month for the purpose of this article.

(e) An officer or employee of a public junior college does not accrue lifetime service credit for the purpose of this article.

**Sec. 6. RULES.** The comptroller of public accounts shall adopt rules to administer this article.

**SECTION 38.** Article 6826, Revised Statutes, is amended to read as follows:

**Art. 6826. HOW PAID**

**Sec. 1.** Except as provided by Section 2 of this article, the annual salaries provided for in this title shall be paid monthly:

- (1) on warrants drawn by the comptroller [~~Comptroller~~] on the treasurer; or
- (2) via an electronic funds transfer system in accordance with Section 403.016, Government Code [~~Treasurer~~].

**Sec. 2.** (a) This section applies to an [~~An~~] employee of the Texas Department of Mental Health and Mental Retardation, the State Department of Highways and Public Transportation, the Texas Department of Human Services [~~Resources~~], the [~~or~~] Texas Employment Commission, or [~~of~~] any other state agency designated by the comptroller.

(b) An employee [~~Comptroller~~] is entitled to be paid his employment compensation twice a month if:

- (1) the employee holds a classified position under the state's position classification plan;

(2) the position is classified below salary group 12 under the classification salary schedule ~~in [prescribed by]~~ the General Appropriations Act;

(3) the *employing state* ~~[employee's]~~ agency *satisfies* ~~[meets]~~ the *comptroller's* requirements ~~[established by the Comptroller]~~ relating to the payment of compensation twice a month; and

(4) at least 30 percent of the eligible employees of the agency participate in the program to pay compensation twice a month.

Sec. 3. (a) Except as provided by Subsection (b) of this section, the *treasurer* ~~[Treasurer]~~ may not pay the salary of a state officer or employee before the first working day of the month following the payroll period.

(b) An employee paid twice a month under Section 2 of this article shall be paid on:

(1) the first working day of the month following the payroll period that covers the last half of the preceding month; and

(2) the 15th day of the month or the first working day after the 15th for the payroll period that covers the first half of the month.

(c) *In this section, "working day" means a day other than Saturday, Sunday, a national holiday, or a state holiday as listed in the General Appropriations Act or Article 4591.2, Revised Statutes. A day does not cease to be a holiday because a state agency maintains or is required to maintain a minimum working staff on the holiday.*

SECTION 39. All laws that conflict with Section 35 of this Act are repealed to the extent of the conflict, including laws that apply to one or a limited number of state agencies and laws passed by the 72nd Legislature, Regular Session, 1991.

SECTION 40. Section 34, Chapter 207, Acts of the 71st Legislature, Regular Session, 1989, is amended to read as follows:

Sec. 34. All petty cash *funds or accounts* that were established under prior law are abolished. The comptroller shall develop and implement necessary procedures for closing all existing petty cash *funds or accounts*. Notwithstanding any provision in a General Appropriations Act or other law, this Act is the sole authority for the maintenance and establishment of petty cash *funds and accounts with the exceptions listed in Section 404.149, Government Code.* ~~[However, this Act does not apply to the petty cash accounts of state agencies whose funds are maintained completely outside the state treasury.]~~

SECTION 41. The third paragraph of Article V, Section 8.1, of the General Appropriations Act for fiscal years 1992–1993 is amended to read as follows:

Credit for the higher rate of accrual as shown on the chart above shall be given on the first calendar day of the month if the employee's anniversary date falls on the first calendar day of the month; otherwise, the increase will occur on the first calendar day of the following month. *If an employee begins working in a position that accrues vacation leave on the first workday of the month, the employee is deemed to have begun working on the first calendar day of the month for the purpose of this subsection.*

SECTION 42. (a) Section 40 of this Act is Section 44 of this Act for the purpose of Section 4, S.B. No. 1358, Acts of the 72nd Legislature, Regular Session, 1991, and for the purpose of Section 4, H.B. No. 2390, Acts of the 72nd Legislature, Regular Session, 1991.

(b) Section 44 of this Act is Section 45 of this Act for the purpose of Section 4, S.B. No. 1358, Acts of the 72nd Legislature, Regular Session, 1991, and for the purpose of Section 4, H.B. No. 2390, Acts of the 72nd Legislature, Regular Session, 1991.

SECTION 43. This Act takes effect September 1, 1991.

SECTION 44. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on May 14, 1991, by a viva-voce vote; the Senate concurred in House amendments on May 26, 1991, by a viva-voce vote; passed the House, with amendments, on May 24, 1991, by a non-record vote.

Approved June 16, 1991.

Effective September 1, 1991, and as provided § 42 of this Act and ch. 744, § 4.

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## CHAPTER 642

### S.B. No. 1106

#### AN ACT

relating to the leasing, development, and management of minerals owned by the state.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Subdivision (4), Section 32.001, Natural Resources Code, is amended to read as follows:

(4) "Land" means:

(A) land dedicated to the permanent school fund and the asylum funds by the constitution and laws of this state;

(B) the mineral estate in areas within tidewater limits, including islands, lakes, bays, and the bed of the sea which belong to the state;

(C) the mineral estate in river beds and channels; and

(D) land owned *by the state* or held in trust for the use and benefit of *the state or* of a department, board, or agency of the state.

SECTION 2. Section 32.002, Natural Resources Code, is amended to read as follows:

Sec. 32.002. APPLICATION OF CHAPTER. (a) This chapter does not apply to:

(1) land dedicated by the constitution or a law of this state to The University of Texas System, land donated by a will or instrument in writing or otherwise to The University of Texas System, as trustee, for a scientific, educational, or other charitable or public purpose, or any other land under the control of the Board of Regents of The University of Texas System;

(2) land whose title is vested in the state for the use and benefit of any part of The Texas A&M University System or land under the control of the Board of Regents of The Texas A&M University System;

(3) land subject to lease under Subchapter F, Chapter 52 of this code, commonly known as the Relinquishment Act;

(4) oil and gas underlying land owned by the state that was acquired to construct or maintain a highway, road, street, or alley, which is located in a producing area, *unless the oil or gas is leased for the specific purpose of drilling a horizontal well*;

(5) oil and gas underlying land owned by the state that was acquired to construct or maintain a highway, road, street, or alley if the State Highway and Public Transportation Commission has determined that such right-of-way is no longer needed for use by citizens as a road pursuant to Chapter 99, General Laws, Acts of the 42nd Legislature, Regular Session, 1931 (Article 6673a, Vernon's Texas Civil Statutes);

(6) land owned by the Texas Parks and Wildlife Department; or

(7) land owned by the Texas Department of Corrections.

(b) For purposes of Subsection (a)(4) of this section, land is located in a producing area if the closest boundary line of the surface of such land is within 2,500 feet of a well capable of producing oil or gas in paying quantities as of January 1, 1985.

(c) Oil and gas underlying land not located within a producing area *or that is leased for the specific purpose of drilling a horizontal well* may be leased under the provisions of Section 32.201 of this code.

(d) [(e)] If title to land subject to Subchapter F, Chapter 52 of this code, commonly known as the Relinquishment Act, is acquired by a department, board, or agency of the